POINTS OUT SERIOUS DEFECTS IN UNCLE SAM'S BUSINESS SYSTEM

Walter W. Warwick, the New Comptroller of the Treasury and Really Government's Chief Auditor, Says Reorganization Is Essential to Economy and Efficiency

IMPERTURBABILITY is something much to be desired by a public official, particularly by one occupying a quasi-judicial position. Combine it with knowledge and a habit of thoroughness and it gives an equipment bound to command success.

Search through the departments at Washington and you find imperturbability exhibited in its finest development in the person of Walter W. Warwick, the new Comptroller of the Treasury.

Seated at his desk in a spacious room in the Treasury Department, facing an always open door, he is the very picture of imperturbability. He looks like one who would merely say, "Tut, tut," should a forty-two centimeter bomb explode in his vicinity—and leave enough of him to say, "Tut, tut."

And that is as it should be, for it is the habit of other public officials of this great and good Government constantly to be exploding oral and argumentative forty-two centimeter bombs in the vicinity of the Comptroller of the Treasury.

No matter what his title may be, the Comptroller of the Treasury in reality is the auditor in chief of the United States Government. Which also means that he is the buffer between Congress, the appropriating arm, and the Executive, the expending arm. From both sides he is bombarded.

Thus, Congress will appropriate money for a certain purpose. It may think that it has expressed that purpose clearly. The executive who is to spend the money thinks he understands. "To do this work properly," he says, "I will have to buy ten automobiles for the economical transportation of the men employed."

"You can't do it," says the Comptroller. "Section so-and-so of such another act of Congress expressly prohibits the purchase of automobiles for purposes of this sort."

Whereupon the executive officer gnashes his teeth and retires. Maybe he will set his legal force to work devising arguments and briefs to be presented to the Comptroller to get him to change his mind. But the Comptroller has to be firm.

To put it briefly, no one can get money out of the Treasury if the Comptroller says that it is not a proper and legal charge. He has the last guess as to what Congress meant in making an appropriation. No appeal lies from his rulings save that in certain classes of cases suit may be instituted in the Court of Claims.

Few persons outside of the Government service realize the great power and responsibility lodged in this office. Inside the Government service no officer is held in higher respect and fear.

For example, a near Cabinet officer goes off on an official tour and turns in his expense account. His vouchers are not in due form; he has spent money for some purposes not fully authorized and the amount he has charged up to sleeping car accommodations is excessive. The Comptroller chops $400 off the bill and the near Cabinet officer is the loser to that amount.

Does he truly love the Comptroller?

Another example: A member of the Cabinet charged by Congress with the task of taking up some new work and not having room in his building for the new force goes out in Washington and rents extra office room, intending to pay the rent out of the appropriation for the general purpose. Whereupon the Comptroller drags out an ancient statute which prohibits the renting of any quarters in the District of Columbia without the express consent of Congress.

The resulting conversation and correspondence tests that quality of imperturbability in the Comptroller.

Once a Certain Person was President of the United States. This Certain Person, having the characteristic of wanting what he wanted when he wanted it very earnestly indeed and having his Cabinet and near Cabinet and tennis Cabinet quite well trained and amenable to his wishes, usually accomplished what he set out to do. But, so runs gossip in Washington, a notable exception appeared when he ran up against the then Comptroller of the Treasury, a gentleman of rugged character and personality, Robert J. Tracewell.

The President wanted to use a certain appropriation in a certain way. The Attorney-General told him he thought it would be all right, although there might be a question. It was referred to the Comptroller of the Treasury, who said "No." The Comptroller was summoned to the White House and taken into conference with the President and members of the Cabinet, confronted with the opinion of the Attorney-General, and the suggestion was advanced that he reverse himself.

The Comptroller, explaining that his ruling was merely the cold interpretation of the law and admitted of no reversal, suggested a way out.

"You know, Mr. President," said he, respectfully, "you can always get a new Comptroller of the Treasury."

And that settled it. The President gave up his plan, and there was no new Comptroller of the Treasury."

Federal law regarding the expenditure of public funds is an involved and intricate maze. There are thousands of limitations and thousands of exceptions, the result of 125 years of legislating. In casting the language of a certain appropriation Congress may run counter to one of these and fail to repeal or except it. So what a law says on its face is not always the absolute law.

It is the business of the Comptroller of the Treasury to be familiar with all of these; to be equally familiar with the many decisions of the Federal courts interpreting them and the basic law, and to stand guard in the Treasury to see that no money is paid out save in a manner which squares absolutely with the actual law.

It is a tradition in the office that the men who have occupied it have preserved a high standard of integrity and independence. They have refused to be stampeded by considerations of expediency. Imperturbably they have accepted the role of goat on many notable occasions.

The Comptroller of the Treasury sits at a great flat topped desk. Opposite him sits his private secretary. Once Comptroller Warwick sat in the position opposite the Comptroller. It took him twenty-two years to journey around to the other side, a few feet away. And the trail was long, for it led by way of other desks, by way of a Cincinnati law office, by way of Panama, by way of still more desks in the Treasury Department, and finally to the goal.

The story of the journey is the story of the making of a Comptroller.

To begin with, Walter W. Warwick was born March 1, 1868, in Scioto county, Ohio, but his parents moved into Cincinnati when he was 6 years old and he has called that city home ever since. In 1890 he was graduated from the Cincinnati Law School and began the practice of law. At the same time he got into politics, Democratic politics, which always are interesting in Ohio.

In 1891 he ran for the State Assembly and in 1893 for the Cincinnati City Council, and in both instances lost to his Republican opponent. Between heats, namely, in 1892, an eminent jurist of opposite political faith, William Howard Taft, who was then Judge of the United States Circuit Court at Cincinnati, engaged Mr. Warwick as his private secretary, for Judge Taft knew him, admired him and had faith in him. That friendship, by the way, has continued ever since.

After losing his race for the City Council in 1893 Mr. Warwick came to Washington in the second Cleveland Administration and became private secretary to the then Comptroller of the Treasury, Robert B. Bower of Cincinnati, sitting down at that same big desk at which he now sits, but on the opposite side. Presently he was promoted to be law clerk and then chief law clerk, after a competitive examination in which twenty-three entered.

When William McKinley came down from Ohio to be President of the United States four years later Mr. Warwick thought it wise to return to that State. He resigned and did so, again entering practice in Cincinnati. And there he practised law and politics for eleven years, renewing his old affiliation with the famous Duckworth Democratic Club and being chairman of the Hamilton county Democratic campaign committee in 1902.

But his practice of politics in Ohio did not detract from the reputation he had earned in Washington of possessing a peculiarly extensive knowledge of Government business, methods of Government accounting, contract and appropriation law and administrative procedure.

So it was that when in 1908 Gen. Goethals was casting about for the best material to be used in reorganizing the work on the Panama Canal he seized upon Mr. Warwick and made him auditor of the canal. It was a clear case of selection for merit.

After three years work in reorganizing and simplifying the accounting and financial work of the canal Mr. Warwick was commissioned by President Taft an Associate Justice of the Supreme Court of the Canal Zone.

But he was not to hold the position long. The President was forming his commission on economy and efficiency in the Federal service and he needed a man of Mr. Warwick's experience and ability. Accordingly Mr. Warwick came to Washington as a member of that commission. Through all the commission's life he was a leading figure in it.

One of his activities as a member of the commission was to direct the special inquiry into the Patent Office, the result of which was to point the way to many reforms in patent law, in scale of pay for expert employees and in organization. Some of these reforms have already been put into effect; others, requiring legislation, have not yet been effected.

The thorough survey of the entire Federal service conducted by the Economy and Efficiency Commission revealed the unscientific and expensive character of the organization. Its report led to the agitation for a budget system to take the place of the present loose method of providing for expenditures without much regard for possible revenue, and Mr. Warwick was a member of the commission which strongly favored a budget.

The agitation then begun has grown and spread. Not long ago the Chamber of Commerce of the United States took a referendum of the commercial bodies of the country as to the desirability of establishing a budget system and the result was practically a unanimous verdict as to the wisdom of having the business of the national Government conducted in a businesslike way.

The recent New York Constitutional Convention, profiting by the report of the commission as to national financial matters and by the agitation, has written into the new State Constitution a provision for a scientific executive budget, the first one adopted by any constitutional convention in any State in the Union.

It is altogether probable that the national Administration will present the budget idea to Congress at the coming session with definite suggestions for legislation on the subject.

Following Mr. Warwick's service on the Taft commission he was appointed Assistant Comptroller of the Treasury by President Wilson May 13, 1913. On the recent appointment of Comptroller George E. Downey to the Court of Claims bench Mr. Warwick was advanced by President Wilson to the position of Comptroller. And there he sits now, passing out learned decisions daily that may touch only a two dollar expenditure or one affecting the disbursement of $200,000, and each equally important, for the two dollar case may open the way to the spending of many thousands.

But this is far from all. The Comptroller is required to prescribe "the forms of keeping and rendering all public accounts except those relating to postal revenues and the expenditures therefrom." So, in addition to being the auditor over all the auditors, he must direct the manner of keeping accounts. Still in so doing he is limited, for direct law lays down rules in certain places which he cannot reach.

Government accounting of course is in a class by itself. Not always can it parallel industrial or commercial accounting. But certain fundamental principles are common to all classes, and of these Comptroller Warwick has become a master.

Right now in connection with his other duties he is at work as a member of a committee appointed by Secretary McAdoo with instructions to make a thorough investigation of the entire Treasury service, both in Washington and in the field, "with a view to making recommendations for placing the Treasury Department on a more efficient, economical and modern basis."

"The Government of the United States," said Comptroller Warwick recently in discussing economy and efficiency in the service, "is a complex organization, the result of growth and development. That it is not organized on scientific lines I think is now generally understood. As the need has arisen new governmental activities have been assumed, and jurisdiction over these activities given to different departments as expediency seemed to dictate. Growing piece by piece, it is but natural that the edifice is not harmonious in design, nor well balanced.

"We are coming to a time when there will be a reorganization and a readjustment, gradual but none the less sure, by which the governmental machinery will operate at a rate of greater efficiency. But that time will not arrive until there is a public demand for it. It is evident from the activity of the Chamber of Commerce of the United States in the matter of the budget idea that the demand is growing.

"At present each one of the ten executive departments of the Government is more or less independent of the others and to a degree is self-contained and autonomous. These ten executive departments spend 98 per cent. of the total expenditures of the Government, the cost of the legislative and judicial branches being not more than 2 per cent. But each is required to spend without regard to the others.

"Each, under the laws constituting it, accounts for its expenditures in its own way. There is no consolidated presentation of all of their expenditures, nor can there be under the present system.

"Modern business realizes that what is known as cost keeping is absolutely essential to an understanding of the actual condition of a business organization. But in our Government, which is the greatest business of all, we have no method of ascertaining unit costs under the different heads of maintenance, capital investment, depreciation and the other elements essential to a true analysis, for figures presented by one department are not comparable with figures presented by another department.

"When the Government erects a public building the cost is set down as an expenditure and lumped in with the other expenditures of the Government, no difference being made between it and an expenditure for paying the army. But there is a radical difference. The building is an investment and becomes an asset. It should show in the assets and not the liabilities column.

"Hence it is impossible to make a showing as to the exact cost of maintenance of the Government. By maintenance I mean the ordinary running expenses as differentiated from expenditures for betterments which are assets. So one essential of reform would be a system by which we can tell in advance what our irreducible maintenance charge is, and then giving thought to the condition of the revenue, determine as a business man would what sum is available for betterments or capital investments.

"Further, we have no means now of ascertaining exactly what each class of Government endeavor costs in order to determine if we are spending too much or too little. Under the heading of activities for the benefit of the public health, as an example, we have no full knowledge as to the cost. First of all there is a public health service in the Treasury Department entirely devoted to the purpose. But certain activities of the bureau of animal industry in the Department of Agriculture, other activities in other bureaus of that department, some work in the bureau of education, some in the children's bureau, some in the bureau of mines, some in the Indian bureau are devoted to the same end. There is no means now of segregating the costs of each and bringing them together in a businesslike manner.

"In other activities it is altogether probable that there is a duplication of effort, needless and expensive, among different bureaus. Or it may be that there is no longer any real national need of some certain work taken up many years ago by a bureau and never relinquished. It is so easy in this Government or any Government for that matter for something of that sort to happen.

"Investigations made by the commission on economy and efficiency revealed an astonishing situation in the matter of purchasing Government supplies. The variation in prices paid by different departments for the same classes of articles was great. Individual effort by some of the departments has brought some reform, but the idea of establishing one central purchasing agency for the entire Government is worthy of consideration.

"The magnitude of the task of reorganizing and readjusting the Government machinery in all its branches seems appalling on its face, but really it should possess no terrors. There is no business, not even the great business of government, that cannot be put on a sound, scientific basis. Mere bulk is not a handicap in the solution of any business problem. But accurate knowledge of the exact facts as to the cost of government, unit costs I mean, is essential before any scheme of reorganization can be undertaken."

Walter W. Warwick, Comptroller of the Treasury.

THE LETTERS OF WASHINGTON IRVING

His most familiar portrait.

Continued from Fifth Page.

A visit to Scott at Abbotsford is described:

"On my way I stopped at the gate of Abbotsford & sent in my letter of introduction to Walter Scott, with a card & request to know whether it would be possible for him to receive a visit from me in the course of the day. Mr. Scott himself came out to see me and welcomed me to his home with the genuine hospitality of the olden-times. In a moment I found myself at his breakfast table, and felt as if I was at the social board of an old friend.

"Instead of a visit of a few hours I was kept there several days—and such days! You know the charms of Scott's conversation but you have not lived with him in the country—you have not rambled with him about his favorite hills and glens and burns—you have not seen him dispensing happiness around him in his little rural domain.

"I came prepared to admire him, but he completely won my heart and made me love him. He has a charming family around him. Sophia Scott, who must have been quite a little girl when you were here, is grown up, and is a sweet little mountain lassie. She partakes a great deal of her father's character—is light-hearted, ingenuous, intelligent, and amiable. Can tell a whimsical story and sing a border song with the most captivating naivete.

"Scott was very attentive in showing me the neighboring country. I was with him from morning to night and was constantly astonished and delighted by the perpetual and varied flow of his conversation. It is just as entertaining as one of his novels, and exactly like them in style, point, humour, character & picturesqueness. I parted with him with the utmost regret but received a cordial invitation to repeat my visit on my way back to England, which I think I shall do."

Of London's literary coteries he writes:

"There have been some literary coteries set on foot lately by some Blue Stockings of fashion at which I have been much amused. Lady Caroline Lamb is a great promoter of them. You may have read some of her writings, particularly her 'Glenarvon,' in which she has woven many anecdotes of fashionable life and fashionable characters; and hinted at particulars of her own story and that of Lord Byron. She is a strange being, a compound of contradictions, with much to admire, much to stare at, and much to condemn."

Old New Yorkers, and those who want to discover if they are old New Yorkers, will find much to interest them in these letters, for there is more of the founders of New York society in them than of the founders of the nation.

Washington Irving. From an old drawing.

A KENTUCKY GEOGRAPHER.

IT happened in a little log school house in the Cumberland Mountains of Kentucky. Geography was not a favorite study with the pupils.

The teacher, a mere wisp of a girl who had gone to the mountains from the Blue Grass section simply because she had heard teachers were needed in the mountains, conscientious and anxious that the boys and girls under her should know something about the big outside world, decided upon a plan to stimulate study. To this end she divided the class in advanced geography into two separate camps, the boys on one side and the girls on the other. With the idea of still further promoting the spirit of competition in acquiring knowledge she announced that she would have a "visitors' day" once a month.

"I have invited the grown folks to attend school this afternoon," announced teacher one morning unexpectedly.

During the 10 o'clock recess the boys in the geography class held an excited caucus under the shade of an old beech tree. There was only one boy in the class of whom they had any doubts.

"We jest gotta hep Walter over the rough spots," was the decision of one boy and they all concurred.

Visitors crowded the rear seats at the afternoon session, but in the scramble of moving into the forward seats the prompter managed to get into the seat immediately behind Walter. Teacher opened the geographical contest by firing three questions in rapid succession at the girls. One after the other the girls rose and answered accurately. Next, however, the teacher turned upon Walter.

"What is the capital of New Hampshire, Walter?"

Red of face, visibly shaking, Walter rose and stood on one bare foot, rubbing his shin with the other foot.

Pretending to recover a pencil from the floor, Walter's prompter, leaning over, whispered, "Concord."

Walter's straining ears did not quite catch the word and he coughed, signal of distress.

"Concord," hissed the boy prompter.

Walter's face brightened. "Corncob," he answered boldly. "Corncob is the capital of New Hampshire."

SAVING SONG BIRDS FROM USE AS FOOD

THE common, ordinary, black crow, of the corn field variety, is not a popular bird, having few admirers and still fewer friends among human beings or even among the feathered tribes. He enjoys, however, one distinction that the public generally fails to appreciate, namely, he is a song bird.

Hoarse as he is, and little pleasing to the ear as his efforts redoubtedly are, he sings. His raucous "Caw! Caw!" is the best he can do, and that best is assuredly poor enough, but it is a song. For evidence in support of these statements reference may be made to the official check list of the committee of the American Ornithological Union.

Nevertheless, it is likely that if the crow were the only song bird on the continent the National Association of Audubon Societies would not have issued its latest appeal to the public for $100,000. That sum is needed to make effective the effort to stop the slaughter of song birds for food.

Everybody knows that considerable success has been attained in the previous effort of the association to stop the killing of birds for their plumage. In only two of the principal markets of the country can aigrettes and similar ornaments be legally bought and sold by milliners. Those two are Chicago and Baltimore. In all the other large cities the traffic has been practically stopped.

But the "ornithophage" is even a worse enemy of the feathered songsters than the milliner, according to T. Gilbert Pearson, the secretary of the association, who has recently issued the appeal for the $100,000. In it he says:

"Millions of small birds in migration are destroyed yearly by the people of the Southern States and used as food. This destruction, now increasing, is having serious effect on the number of song birds in the North. Negroes are armed with guns, and many are proficient in other means of destruction. In the North also, large numbers of foreign laborers, coming from Europe, kill small birds for food. It is only recently that little birds were sold in large quantities in New York city, and they are still sold by thousands in the South.

"The Audubon Societies, which have already checked the killing of native birds for millinery purposes, now purpose to stop the slaughter of song birds for food in this country. This is a stupendous task. It must be done by educating the public through the schools, the press and the clergy, and by securing better laws and better enforcement of the laws now on the statute books. The sum of $100,000 is needed now for this purpose.

"The scarcity of robins, bluebirds and bobolinks is becoming noticeable over wide areas. Will you not help us to the best of your ability to stop the slaughter that is now depleting our fields and woods of feathered songsters?"

It was in talking about this appeal in the office of the association at 1974 Broadway that Mr. Pearson sprang the word "ornithophage," and the contemptuous inflection with which he uttered it was indication enough of what he thought of bird eaters.

"The two greatest enemies of the small bird," he said, "are the negro in the South and the Italian in the North. Perhaps you know something of the way they kill birds and eat them in Italy. It is shocking.

"Well, when the Italian comes to this country he naturally keeps on killing birds and it is hard to stop him. We are trying to do it by stiffening up the laws on the subject in the different States and have just succeeded in doing this in one notable instance.

"Only recently the Legislature of Massachusetts has enacted a law prohibiting the killing of birds or game of any description and at any time by any unnaturalized foreign born resident unless he owns real estate in the Commonwealth to the value of not less than $500, and making it unlawful for any such an alien to own or have in his possession or under his control shotgun or rifle of any make. All officers qualified to serve a criminal process are authorized to arrest without warrant and on Sunday as well as on another day any alien found with a gun, and upon statement of a reasonable suspicion that an alien has a gun in concealment a magistrate must issue a search warrant to the officer applying for it.

"Formerly Massachusetts was one of the States most troubled by the Italian ornithophage. The others were New York, New Jersey, Pennsylvania, Connecticut and Rhode Island. In all those States we have made some progress, but there is much remaining to be done.

"We try to reach the public in every way possible, and it takes great amounts of money to do it. One way is by issuing circulars, like this appeal, for example, and circulars are expensive.

"Take our Junior Audubon Society for another example. Over 150,000 children belong to the various branches of that, all over the country, and last year we took in $15,000 from them, each child paying 10 cents a year, but I spent over $10,000 supplying them with educational literature.

"Each one receives a button as a badge and ten beautifully illustrated leaflets which the child cannot help being interested in and about which he goes to his parents or his teacher. Each leaflet treats of some one bird and is accompanied by a colored plate showing a picture of that bird drawn by the best artist we can get and printed by the most expensive process. Then there is also an outline drawing of the same picture which the child may fill in with his own crayons if he chooses to. These leaflets have done an enormous amount of good.

"Then we have established 18,500 Audubon clubs all over the country and these clubs have a total membership of something near half a million. And the association keeps in touch with all these clubs. These things are merely details, however, and there are many other details in our work."

"You speak of stiffening up the laws. How can the association do that?"

"We work on the Legislatures of the different States by stirring up public opinion. In most instances we have fairly good results from this, but not invariably, for, strangely enough, public opinion is not always so enthusiastic in our support as it ought to be.

"Only last May I was badly licked in the fight I made to strengthen our position in Florida. Instead of helping us the Florida Legislature abolished the game commission and repealed the game laws in that State, so that now all the work that is done in the conservation of bird life has to be done without any State aid whatever. It will not stop, though, for the general Government is behind the association in a certain satisfactory sense and we are going right on.

"I have always been a Democrat and I expect I always will be, but I am a strong Roosevelt man because of what he has done for the association. You ought to see him on one of our reservations, down on his knees in the sand, digging sea turtle eggs, if you want to realize how interested he is. Of course turtle eggs are not birds, but he wouldn't have been there if he hadn't gone to visit the bird reservation.

"We have sixty-nine of these reservations now, but the first ones were created, or rather established, by Mr. Roosevelt when he was President. He hadn't any authority to do that, but he went ahead and did it and got the authority from Congress afterward. That's his way.

"Then he gave us some more, and President Taft gave more, and President Wilson only the other day gave us another, so that we now have, as I said, sixty-nine of them. The largest is the entire delta of the Yukon, comprising more territory than the whole State of Connecticut, and the smallest is a patch of 60 feet by 300 in Florida. That's only about nine city lots, but there is a bird colony that nests there.

"These reservations are scattered along the coast lines, east and west, on the great lakes and in some of the reclamation districts where irrigation has freshened up places where the birds gather to breed.

"Of course all the reservations are under the regulation of the general Government excepting the Canal Zone of Panama, the whole of which is now a bird reservation, but under the direction of the Canal Commission. They are very jealous down there of anything that seems to infringe on the commission's authority.

"But the general Government has not enough money appropriated to guard all these reservations properly, so the association spends huge sums in eking out that work. We pay game wardens and watchers, some of whom have official standing as deputy sheriffs or local constables, and some of whom do what any private citizen may do, but what very few do. That is, they get out warrants and prosecute offenders and the association stands behind them.

"At least half of these reservations have no wardens. When there is a warden we pay part of his salary, the Government not having enough money available for that purpose. Wherever there is no warden we hire watchmen and pay them. In one instance in which I had no money available but where there was a man we knew we could rely on volunteered to act as guard and take his chances of getting paid. He has now served nine months with no pay.

"Then we maintain several patrol boats with armed men aboard, and it is nothing unusual for these men and for the other guards to have gun fights with poachers. Sometimes one gets wounded, and three have been killed. We have about sixty of these guards now stationed at various breeding places where the birds gather and we need about two hundred. That will give an idea of why we ask for more.

"We have no quarrel with sportsmen who kill game birds and game animals legally, but we aim to protect the birds that should be protected, and if we can stop, or practically stop, the practice of killing song birds, we will feel that we have accomplished something worth while."